

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6378

BILL NUMBER: HB 1210

NOTE PREPARED: Dec 17, 2014

BILL AMENDED:

SUBJECT: School Transportation Fund Replacement Grants.

FIRST AUTHOR: Rep. Errington

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

STATE IMPACT	FY 2015	FY 2016	FY 2017
State Revenues			
State Expenditures	20,160,000	38,609,500	36,594,000
Net Increase (Decrease)	(20,160,000)	(38,609,500)	(36,594,000)

LOCAL IMPACT	CY 2015	CY 2016	CY 2017
Local Revenues	40,320,000	36,899,000	36,289,000
Local Expenditures			
Net Increase (Decrease)	40,320,000	36,899,000	36,289,000

Summary of Legislation: This bill provides a grant to school corporations that have their transportation fund levies reduced by more than 50% because of the application of circuit breaker credits. It specifies that the amount of a grant is equal to the amount of circuit breaker credits granted against the school corporation's transportation fund levy for the year. The bill appropriates from the state General Fund the amounts necessary to make the grants.

Effective Date: Upon passage.

Explanation of State Expenditures: The state's expense is estimated at \$20.2 M in FY 2015, \$38.6 M in FY 2016, and \$36.6 M in FY 2017.

The grants provided by this bill will first be available in CY 2015. It is estimated that 15 school corporations will lose more than 50% of their transportation fund levy to circuit breaker credits (before any allowable reallocations among funds for eligible schools) in CY 2015. There will be an estimated 13 eligible school corporations in CY 2016 and 12 eligible corporations in CY 2017.

The total circuit breaker losses in the transportation fund for the eligible school corporations is estimated at \$40.3 M in CY 2015, \$36.9 M in CY 2016, and \$36.3 M in CY 2017.

The grants will be funded from the state General Fund. One half of each grant will be distributed before July 1 and the other half before December 1. The FY 2015 expense would be one half of the grants in CY 2015.

The Department of Education will administer the grants, and the Department of Local Government Finance will assist in determining eligibility.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The grants made to school corporations would increase transportation fund revenues. The estimated grants for CY 2015 through CY 2017 are presented in the table below.

Estimated School Transportation Fund Replacement Grants

Corp	School Corporation	CY 2015	CY 2016	CY 2017
1405	Washington Community School Corporation	450,000	0	0
1970	Muncie Community School Corporation	2,975,000	3,043,000	3,192,000
2270	Concord Community School Corporation	1,153,000	1,151,000	1,175,000
2315	Goshen Community School Corporation	1,523,000	1,532,000	1,573,000
3030	Westfield-Washington School Corporation	2,514,000	2,476,000	2,475,000
3135	Mt. Vernon Community School Corporation	1,031,000	969,000	937,000
3315	Avon Community School Corporation	3,348,000	0	0
4145	Clark-Pleasant Community School Corp	1,737,000	1,698,000	0
4690	Gary Community School Corporation	6,390,000	6,554,000	6,858,000
5275	Anderson Community School Corporation	3,981,000	4,052,000	4,206,000
5300	M.S.D. Decatur Township School Corp	2,557,000	2,621,000	2,683,000
5310	Franklin Township Community School Corp	2,904,000	2,930,000	3,019,000
5375	M.S.D. Wayne Township School Corporation	8,873,000	8,967,000	9,231,000
5380	Beech Grove City School Corporation	852,000	874,000	907,000
6340	Cannelton City School Corporation	32,000	32,000	33,000
		40,320,000	36,899,000	36,289,000

State Agencies Affected: Department of Education; Department of Local Government Finance.

Local Agencies Affected: School corporations.

Information Sources: LSA Property Tax Model.

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